

# Business Valuation for Exit Planning


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Exit Planning Institute  
North Texas Chapter

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## The Road



## Baby Boomers Statistics



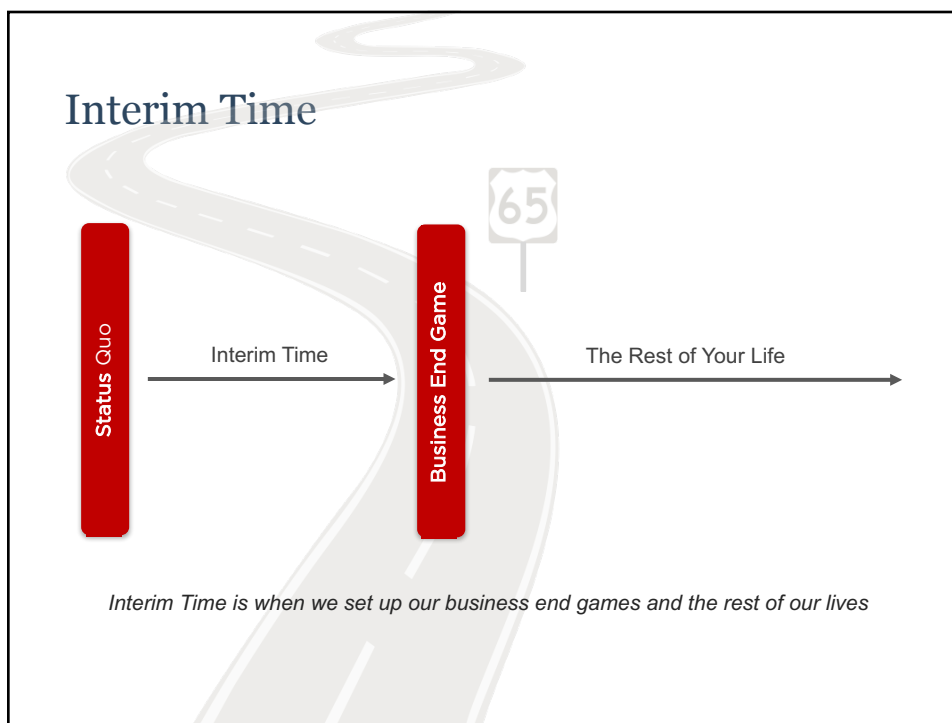
- There are 76 million baby boomers in the US or approximately 25% of the US population  
(2012 US Census data)
- 66% of all businesses with employees, or nearly 4 million companies, are owned by baby boomers  
(Axial)
- The oldest of the baby boomer generation started turning 65 on January 1, 2011, at a rate of 10,000 people a day — a trend that will last for the next 19 years  
(Pew Research Center)

## The General Ownership Timeline



## 10 Reasons That Businesses Change Ownership

1. **A primary owner dies unexpectedly**
2. A key employee leaves
3. **The owner gets “tired” and decides to sell**
4. **Unexpected offers come along**
5. Business reversals happen
6. The primary owner divorces
7. Life-changing experiences occur
8. **Gift and estate tax planning**
9. The second (or third) generation is not up to the task
10. **Normal lifetime planning dictates timing**



## A Little Bit About Valuation



## The “GRAPES” of Fair Market Value

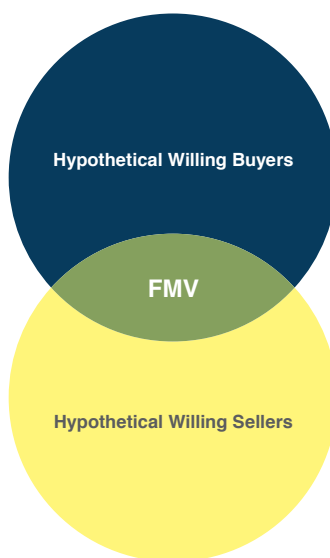


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- G** It is a growth world
  - Price, Volume
- R** It is a world of risk & reward
  - Capital, Three-Tiers, Investment, Returns
- A** It is an alternative investment world
  - Markets, Economy, Uniqueness, Industry Integration
- P** It is a present value world
  - A dollar today is greater than a dollar tomorrow
- E** It is an expectational world
  - Most business value is prospective, not historical
- S** It is a sane and rational financial world
  - Fair Market Value versus Strategic / Synergistic Value

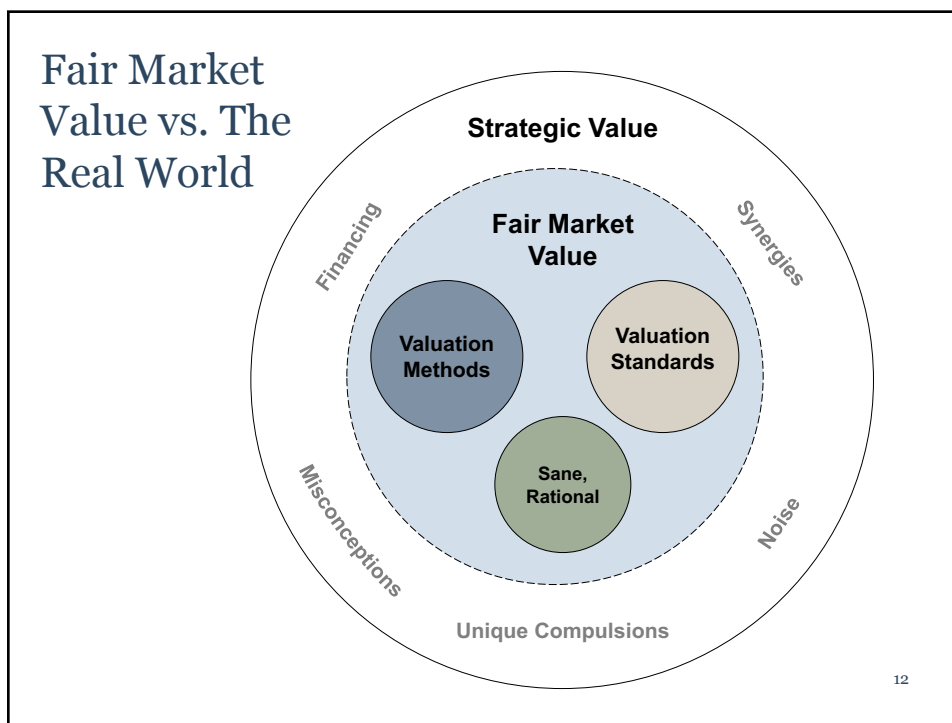
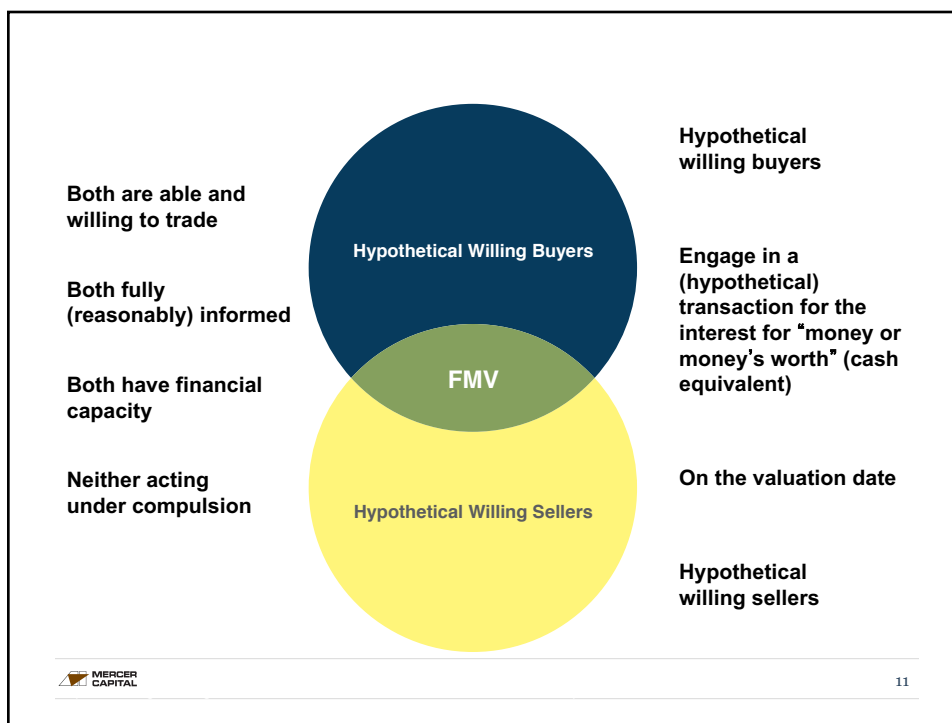
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## Talk About Fair Market Value

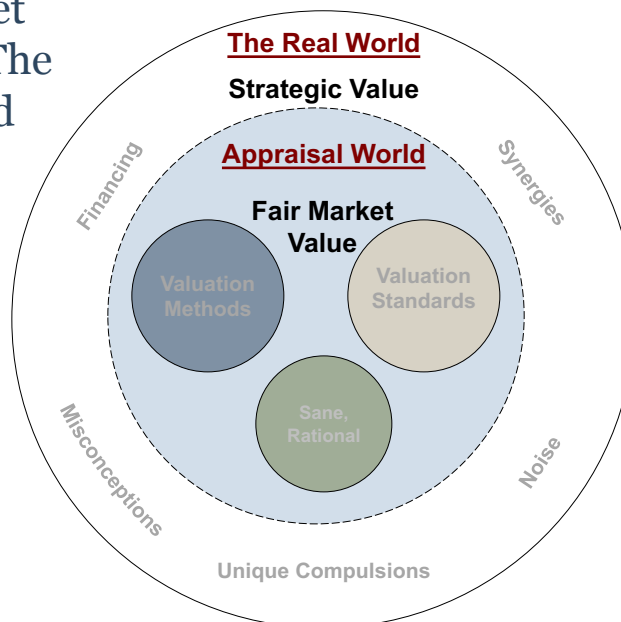


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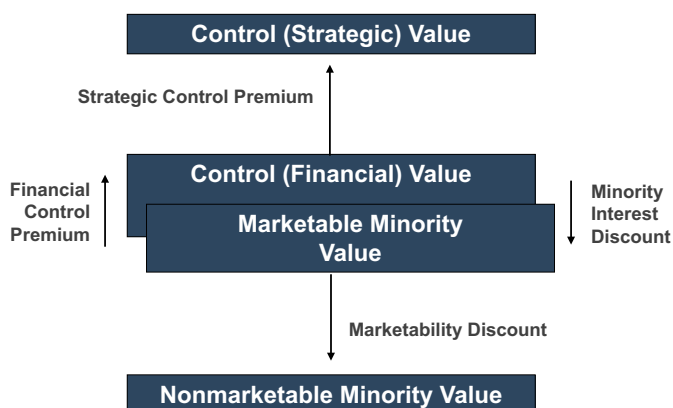


## Fair Market Value vs. The Real World



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## Basic Levels of Value



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## The Basic DCF Model

$$\text{Value} = V_o = \left( \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \frac{CF_3}{(1+r)^3} + \frac{CF_4}{(1+r)^4} + \dots + \frac{CF_n}{(1+r)^n} \right)$$

## The Gordon Growth Model

$$V_o = \frac{CF_1}{r - g}$$

Expected Cash Flow, Risk, and Growth

## General Valuation Model

### Value = Earnings x Multiple

$$\text{Value} = \text{CF} * 1/(r - g)$$

$$\text{Value} = \text{CF} * M$$

- No magic
  - R -15%
  - G = 5%
  - $1/(15\% - 5\%) = 10x$

Expected Cash Flow, Risk, and Growth



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## Equity Value vs. Enterprise Value



- Enterprise value (industry experts' focus)
  - The value of your total "assets"
  - Conceptually familiar to many owners
    - + Rules of thumb
    - + Representative of virtually all transactions
- Equity value (primary valuation focus)
  - Equity value + debt = enterprise value
  - Obscure to most business owners
  - Requires more disciplined modeling and considerations to develop

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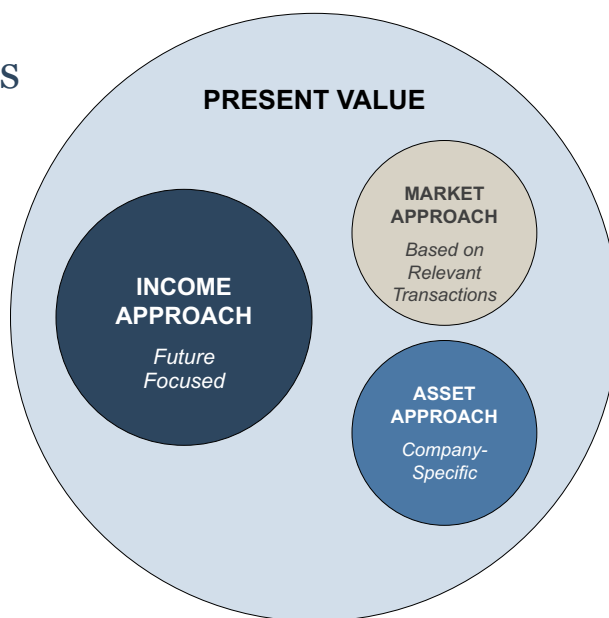
## Intro to Valuation

Value	=	Multiple	x	Performance Measure
↓		↓		↓
Equity Value		P/E = $1/(R - G)$		Net Earnings
Total Capital Value		Weighted Average Cost of Capital		Debt-Free Net Income
Equity Value		Equity Return		Net Cash Flow to Equity
Total Capital Value		Market Multiple		EBITDA Gross CF to Invested Capital



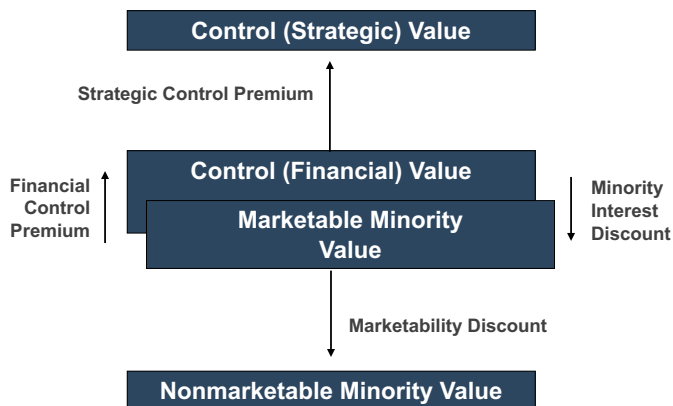
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## Approaches to Value



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## Basic Levels of Value



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### “Normalization”

- Mark expenses to normalized or pro forma levels
  - Non-recurring or unusual events
  - Differentiating return on labor from return on capital
    - + a.k.a. compensation adjustments and other benefits
  - Strategic vs. financial adjustments/considerations



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## What's the Big Deal About EBITDA?



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- Gross cash flow of an enterprise providing for six critical things
  - Reinvest in capital expenditures or other investments
  - Working capital needs from growth
  - Interest payments on debt
  - Principal payments on debt
  - Taxes
  - Returns to shareholders

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## Financial Control vs. Strategic Value

	Stand-Alone	Viewpoint of Acquirer	Viewpoint of Market
EBITDA	1,000	+ 35%	1,350
Multiple	x 4.0	x 4.0	+ 35%
Enterprise Value	4,000	5,400	x 5.4
- Debt	-500	-500	-500
Value of Equity	3,500	+ 40%	4,900

Leverage enhances returns to a point

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## Steady State Net Operating Cash Flow

	Beginning Customers	Mo'y Revenue Per Customer	Recurring Monthly Revenue	66.7% Pre-SAC EBITDA	Annualized Revenue	5.0 Pre-SAC EBITDA	Enterprise Value	EV/RMR
Beginning	100	\$50.00	\$5,000	\$3,334	\$60,000	\$40,002	\$200,010	40.0
Attrition	12.0%	(12.0)						
Replace	12.0							
Steady State	100.0							
New/Growth	5.0%	0.0%						
Ending	105.0	\$50.00	\$5,250	\$3,500	\$63,000	\$42,002	\$210,011	40.0
Percent Change	5.0%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
If 11.0%, 6.0%, 1.5%	106.0	\$50.75	\$5,380	\$3,587	\$64,554	\$43,038	\$215,191	40.0
	6.0%	1.5%	7.6%	7.6%	7.6%	7.6%	7.6%	

- Number of customers and monthly revenue per customer determine RMR and annualized revenue
  - Attrition reduces number of customers. If replace attrition, get to "steady state" or back to beginning customer count
  - New customers/growth determines ending number of customers
  - Price increases offset attrition and augment growth
- The Enterprise Value/Pre-SAC EBITDA multiple (5.0x above) determines Enterprise Value (Implied RMR multiple of 40.0x provides same Enterprise Value)
- Beginning value determined by beginning values of Rev/Customer, No. Customers, and pre-SAC EBITDA margin
- Ending value determined by ending value drivers
- Drive growth by decreasing attrition, increasing growth, increasing prices, and enhancing margin (at a given level of market multiples).
- Clearly from above, the steady state unit customer count (or by implication, steady state cash flow) does not drive value.**



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## Steady State Net Operating Cash Flow

Annualized Revenue (and Derivative RMR)	Value Driver
Pre-SAC EBITDA	Value Driver
Less: Cost to Replace Attrition (management choice)	
<b>Equals: Steady State NOCF</b>	Management Tool
Less: Cost for New/Growth (management choice)	
Plus: Depreciation and Amortization	
Less: Net Capex, Net Working Cap, Taxes, etc.	
<b>Equals: Spendable (Free) Cash Flow</b>	Value Driver

### Valuation Approaches

Market Multiples  
Market Multiples

Not a Valuation Driver

Discounted Cash Flow



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## Tests of Reasonableness



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- Relative value analysis
- Reconciliation of current value with past value
- Reconciliation with broad market financial measures
- Reconciliation with transaction activity (internal and external)
- Reconciliation to rules of thumb?

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## Using Valuation Concepts in a Real World Example

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## Shareholders' Agreement Article 4.1

- 4.1 Purchase Price. The purchase price per share shall be equal to the fair market value ("**Fair Market Value**") of the Corporation divided by the total number of Shares outstanding on the Valuation Date.
- The Fair Market Value shall be determined by an **appraisal** which shall value the Corporation as a **going concern** (without regard to any **minority discount**), but not less than the Fair Market Value of the Corporation's assets reduced by the full amount of its liabilities.
- Such appraisal shall be conducted by an **appraisal company** mutually agreeable to all Shareholders within sixty (60) days after the occurrence of the event which caused or permits the purchase of Shares pursuant to this agreement... (emphasis added)

**The "words on the page" are of critical importance  
to the appraisal companies retained pursuant  
to a trigger event for this Shareholders' Agreement**

## "Words on the Page"

- "I often use the term '**words on the page**.' Appraisers retained pursuant to the operation of buy-sell agreements are normally bound to **prepare their valuations in accordance with the kind of value described or defined within the agreements**. In other words, the 'words on the page' will determine the kind of value to be developed in the appraisal. **Collectively, these criteria become the assignment definition.**" (emphasis added)

Mercer, Z. Christopher, *Buy-Sell Agreements for Closely Held and Family Business Owners* (Memphis, TN, Peabody Publishing, LP, 2010), p. 131

## Significance of “Appraisal Company” in Shareholders’ Agreement

- **Appraisal company**
  - Business appraisers
  - Business appraisal experience and credentials
  - Appraisal reports
- **Fair market value** opinions
- Compliant with prevailing business appraisal practices and standards



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## What About Industry Experience?

- “Sometimes specific industry experience is noted as a requirement. This is a potentially dangerous qualification since industry experience is not equivalent to valuation experience and training.
- Many companies are in narrow industry niches that are simply too small for appraisers to develop specialty niches.
- Many industries, even small ones, do have niche brokers who work primarily to sell companies in their niches.
- **While it can be tempting to think that brokerage-related [investment banking] “industry experience” is important, unless it is combined with actual independent appraisal experience, it will not be helpful.**
- **Further, many industry brokers tend to focus on strategic values only and may not be familiar with other relevant valuation considerations.”**

*Emphasis added*

Mercer, Z. Christopher, *Buy-Sell Agreements for Closely Held and Family Business Owners* (Memphis, TN, Peabody Publishing, LP, 2010), pp. 147-148



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## Fair Market Value Is a Going Concern Concept

- **Going Concern**
- The concept of **going-concern value** is not a standard of value but an assumption about the business's status. It merely means that **the business or practice is being valued as a viable operating entity**; that is, it has its assets and inventory in place, its work force established, and its doors open for business with **no imminent threat of discontinuance as a going concern. (emphasis added)**

Pratt, Shannon P., *Valuing a Business Second Edition*, Dow Jones-Irwin, Homewood, IL, 1989, pp. 22-23.

- **Entity**
- **1: a : BEING, EXISTENCE; especially : independent, separate, or self-contained existence**
- **b** : the existence of a thing as contrasted with its attributes
- **2:** something that has **separate and distinct existence** and objective or conceptual reality
- **3:** an **organization** (such as a business or governmental unit) that has an identity separate from those of its members **(emphasis added)**

Miriam-Webster.com - <https://www.merriam-webster.com/dictionary/entity>



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## Guideline Transactions

### Security & Monitoring Services M&A Transactions

Year	Acquirer Name	Target Name	Enterprise Value	Enterprise Value / EBITDA	Enterprise Value / SDE
# of Deals					
2016	Apollo Global Management	The ADT Corp.	\$12,260,004	44.5x	13.2x
2015	Apollo Global Management <sup>(1)</sup>	Protection 1	\$1,305,130	56.7x	n/a
	Apollo Global Management <sup>(1)</sup>	ADIS Security	\$535,000	53.0x	n/a
	Montrose Security <sup>(2)</sup>	LiveWatch	\$81,000	67.4x	n/a
	Internal Capital Group (Security) and OffPeak	Adventer Security	n/a	n/a	n/a
2014	Carlyle	ADT Korea	\$1,300,000	55.9x	n/a
	The ADT Corp.	Protection	\$800,000	46.3x	n/a
	Alarm Capital Alliance <sup>(3)</sup>	Hawk Security Systems	\$45,750	47.8x	n/a
2013	Kaplan & Partners International	Mutual Central Alarm Services	n/a	n/a	n/a
	The ADT Corp.	Onsite Security, Inc.	\$145,000	41.3x	n/a
	Montrose Security	Security Networks	\$607,800	57.7x	n/a
	Toscan, LLC	LifeLine Systems, Inc.	n/a	n/a	n/a
	DIRECTV	Unidwell, Inc.	n/a	n/a	n/a
	SAFE	Pincode Security (24,000 accounts)	n/a	n/a	n/a
	Protection 1	Pincode Security (37,000 / Facility)	n/a	n/a	n/a
2012	Montrose International, Inc.	Pincode Security (30,000 accounts)	\$131,000	28.8x	n/a
	ICM Partners	SAFE	n/a	n/a	n/a
	Blackstone Capital Partners <sup>(4)</sup>	SAFE	\$1,955,000	58.8x	12.3x
	Clavin	Yimix, Inc.	n/a	n/a	n/a
	Blackstone Security Systems	Proton Global	\$40,000	25.4x	n/a
	BY Investment Partners <sup>(5)</sup>	DTT Surveillance, Inc.	\$82,500	67.0x	n/a
	Horowitz Venture Partners <sup>(6)</sup>	Alarm Capital Alliance	\$155,000	55.0x	n/a
	Connectix Technologies	U.S.A. Medical Monitoring Services	n/a	n/a	n/a
	Generation3 Capital	LogiMark	n/a	n/a	n/a
2011	Bain Capital & Doctor	Microsec Enterprises, Inc.	\$55,000	32.7x	n/a
	Bain Capital, Hoffman & Friedman	SecureDirect AB	\$3,400,000	65.8x	12.0x
	Roadbridge Growth Equity - Falcon Advisors	Connect America	n/a	n/a	n/a
2010	Ascend Media Corporation	Montrose Security	\$1,200,000	40.4x	10.0x
	Baron Partners	Central Security Group	\$220,000	63.0x	n/a
	Oak Hill Capital <sup>(7)</sup>	Security Networks, LLC	\$115,000	44.0x	n/a
	OTCR	Protection 1	\$738,202	36.4x	n/a
	Uyo	Roadshow Security	\$1,536,777	45.3x	n/a
	Roadbridge Growth Equity - Falcon Advisors	Protect America	n/a	n/a	n/a

☐ Denotes high quality platform acquisition in the last 5 years

High Quality Platform Multiple		
Mean - Total	52.7x	12.0x
Median - Total	53.0x	12.4x



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## Mercer Analysis

Analysis of ABC High Quality Platform Transactions (17 transactions per p. 37)												
Announce Date	Acquirer	Target	ABC EV	Implied RMR \$mm	Corrected RMR p. 9	Implied SSNOCF \$mm	ABC EV / RMR	Corrected EV / RMR	ABC EV / SSNOCF	DEF Associates Role p. 9	Time Since 1/31/2016	
1 2/16/2016	Protection 1, Inc. (Apollo)	The ADT Corporation	\$12,369	\$278.0		\$937.0	44.5x		13.2x	Buyer	0.0	
2 5/18/2015	Prime Security Services Borrower (Apollo)	Protection 1, Inc.	1,355	23.9	30.0	nm	56.7x	45.2x	na	Buyer	0.7	
3 5/18/2015	Apollo Global Management LLC	Alarm Security Group, LLC (ASG Security)	535	10.1		nm	53.0x		na	Buyer	0.7	
4 4/30/2014	The ADT Corporation	ADT Canada Inc. (Protectron)	500	10.8		nm	46.3x		na		1.8	
5 7/10/2013	Monitronics International, Inc.	Security Networks, LLC	508	8.8		nm	57.7x		na		2.6	
6 12/7/2010	Ascent Capital Group, Inc.	Monitronics International, Inc.	1,200	24.3		120.0	49.4x		10.0x	Seller	5.2	
7 4/26/2010	GTCR, LLC	Protection 1, Inc.	729	20.0	25.0	nm	36.4x	29.2x	na	Buyer	5.8	
8 1/18/2010	Tyco International plc	Brinks Home Security Holdings (Broadview)	1,837	40.6		nm	45.2x		na		6.0	
Number of Transactions: 8												
						Adjusted	Average 48.7x	46.3x	11.6x		2.8	
						per p. 37	Median 47.0x	45.8x	11.6x		2.2	
							Average 52.7x		12.6x			
							Median 53.9x		12.4x			
Excluded Transactions by Mercer												
Foreign Target Company												
9 3/3/2014	The Carlyle Group LP	ADT Caps Co. (ADT Korea)	1,930	34.5		nm	55.9x		nm	Buyer	1.9	
10 6/11/2011	Bain Capital, Hellman & Friedman	Securitas Direct AB	3,400	61.3		283	55.5x		12.0x		4.6	
Home Automation Services - Questionable Comparability												
11 9/19/2012	Blackstone Capital Partners	Munt	1,965	34.7		152	56.6x		12.9x		3.4	
Implied RMR < \$5M												
12 2/23/2015	Monitronics International, Inc.	LiveWatch Security, LLC	61	0.9		nm	67.4x		nm		0.9	
13 1/15/2014	My Alarm Center (Alarm Capital Alliance)	Hawk Security, A Member of My Alarm Center	43	0.9		nm	47.5x		nm		2.0	
14 4/11/2012	Northwest Venture Partners	My Alarm Center LLC (Alarm Capital Alliance)	185	3.7		nm	50.0x		nm		3.8	
15 3/15/2012	BVI Investment Partners	DTT Surveillance Inc.	93	1.4		nm	67.0x		nm		3.9	
16 11/8/2010	Oak Hill Capital Partners	Security Networks, LLC	119	2.7		nm	44.0x		nm	Seller	5.2	
17 11/1/2010	Summit Partners	Central Security Group	221	3.5		nm	63.0x		nm	Seller	5.3	
						Average	56.3x		12.5x		3.5	
						Median	55.9x		12.5x		3.8	
Other Transactions from p. 9												
2015	Imperial Capital Group	Ackerman Security	na	na	3.1	nm	nm		nm	Seller		
2010	Rockbridge	Protect America	na	na	3.7	nm	nm		nm	Buyer		



## Guideline Public Company Method

Observations favorable to ADT

Observations critical of ADT in favor of XYZ

### Equity Research Report

### Rebuttal Report

"Protection One and ADT Combination Could Create a Very Tough Competitor in Industry...Improved Size and Technical Expertise Advantage in Improving Back-end Margins and Reducing Cost-to-Service vs. Competitors" (Headlines on page 3 of 2.16.16 Report)

"We believe the very top tier of the dedicated life-safety security market will take 5-6mn of those accounts (6% CAGR) and cable and telcos "new-age automation" will take the rest, with the bottom tier of security companies lagging. We believe ADT is strongly positioned..." (Page 2 of 2.16.16 Report)

"ADT's management very clearly communicated (in our opinion) that it was not going to pursue net positive subscriber additions at the expense of the quality of the customer portfolio. Better subscriber quality is highly likely to lead to lower attrition..." (page 2 of the 2.4.16 Report)

"ADT, whose vast majority of metrics are improving nearly every quarter, is trading at 20% discounts on an SSNOCF and RMR basis to where lesser public comps traded in the 2000s...ADT is now, in our view, a much better run security monitoring company" (Page 3 of the 2.4.16 Report)

"Based on security rankings from the SDM Magazine's "2015 SDM 100" ranking survey, (SDM is the largest trade publication which publishes an annual survey of the top 100 security companies)...ranking ADT as the leader (page 4 of the 2.16.16 Report)

"Size Risk: ADT's size makes it difficult to manage and it suffers from sub-standard metrics in various key performance indicators" (page 30)

"Growth Risk: ADT has not shown meaningful subscriber growth in the last several years – growing at levels below XYZ and the broader industry" (page 30)

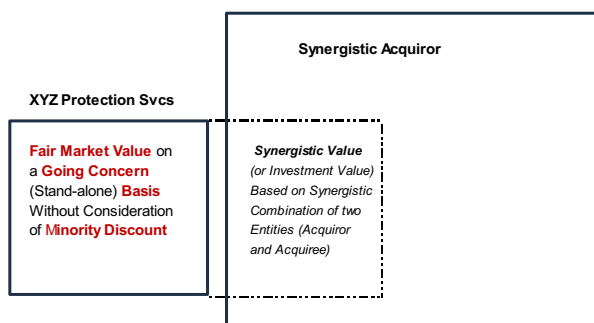
"Attrition Replacement Risk: The factors cited above combine to create an additional difficulty. Given the sheer size of the company [ADT], simply generating enough accounts each year to replace attrition is increasingly difficult." (page 30)

"Across virtually every metric, XYZ outperforms ADT and Monitronics, thus justifying a premium valuation to both" (page 30) [This is simply not true as shown by slide 23]

"In most performance categories (growth and operational / financial strength), XYZ outperformed both ADT and Monitronics" (page 30) [Simply not true as shown by slide 23]



## Fair Market Value as a Going Concern vs. Synergistic Value



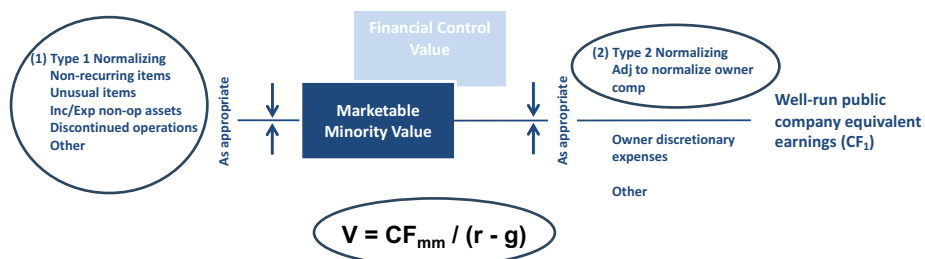
Synergistic values are not determined based on the expected cash flows of a target company (that's fair market value as a going concern), but on the **combination of operations and cash flows of the target with the acquiror** where the **target ceases to be a going concern** and is merged into and with the acquiror. Synergistic value and going concern are not congruent concepts.



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## Basic Valuation Leads to Marketable Minority Level

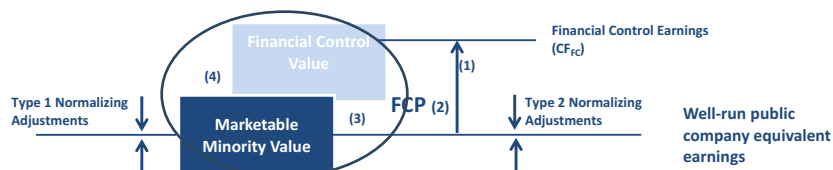
### Type 1 and Type 2 Normalizing Adjustments To Achieve Well-Run Public Company Equivalent Earnings



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## Well-Run Public Company Equivalent Earnings Yield Financial Control Level and Going Concern

### Financial Control Adjustments from Marketable Minority/Financial Control Base



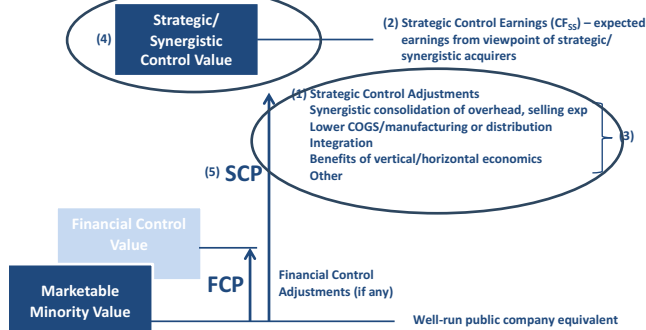
Financial control adjustments related to **stand-alone entities** and relate to how to make an existing (i.e., **going concern**) business run better (i.e., more cash flow from same assets). In most public companies, such adjustments are nil or minimal, otherwise...



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## Strategic Control Is Not a Going Concern Concept

### Strategic Control Adjustments from Marketable Minority/Financial Control Base



*"The strategic control level of value is not normally a concept that is appropriate in fair market value determinations. Fair market value is generally a financial standard calling for hypothetical negotiations between hypothetical buyers and sellers. Strategic control is an investment value concept and looks at value from the viewpoint of specific, strategic, buyers."*  
www.chrismercer.net, July 13, 2017



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# The One Percent Solution

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## Pre-Liquid vs. Liquid Wealth: Things to Remember



1. The definition and importance of the concept of pre-illiquid (i.e., liquid) wealth
2. Pre-liquid wealth is always in a process of becoming liquid wealth. Business owners should focus on and accelerate this process where reasonable to manage **all their wealth**
3. Buy-sell agreements are a critical tool for managing and protecting pre-liquid wealth

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## The One Percent Solution



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- Consider an annual budget for managing your illiquid private company wealth (defined as your ownership interest in your private company) similar to the fees paid to manage your liquid wealth (stocks, bonds, or other liquid assets). It costs money to manage wealth whether liquid or illiquid, so create a budget for managing your illiquid private company wealth.

Source: *Unlocking Private Company Wealth*

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## The One Percent Solution



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- Allocate a percentage of value for the illiquid assets under management to provide the budget necessary to manage wealth
- Liquid Assets
  - 1% of assets under management, +/-, depending on asset category
- Pre-Liquid Assets
  - 0.5% to 2% of value (AUM) for businesses depending on value

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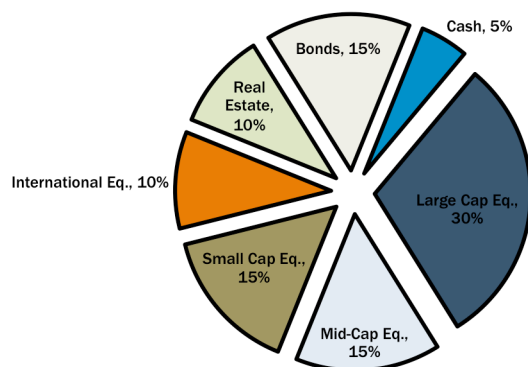
**The One Percent Solution for Managing Wealth in a Closely Held Business**

Assumed Pre-Tax Income (\$m)	Assumed Valuation Multiple	Estimated Value of Business (\$m)	Management Fee as % of Value	Budget for Investment Mgt (\$m)	Management Fee as % of Earnings
\$1,250	4.0	\$5,000	2.00%	\$100	8.0%
\$2,222	4.5	\$10,000	1.50%	\$150	6.8%
<b>\$4,000</b>	<b>5.0</b>	<b>\$20,000</b>	<b>1.00%</b>	<b>\$200</b>	<b>5.0%</b>
\$8,333	6.0	\$50,000	0.75%	\$375	4.5%
\$14,286	7.0	\$100,000	0.50%	\$500	3.5%
\$62,500	8.0	\$500,000	0.25%	\$1,250	2.0%



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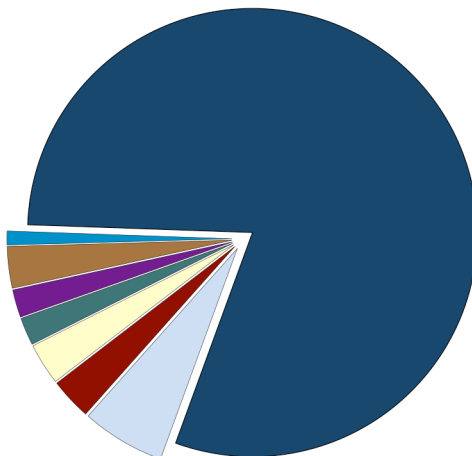
**Asset Allocation of a Business Owner with \$5 Million of Liquid Assets**



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## Why Should Your Clients Care?

Baby boomers are transitioning their wealth and seeking to begin the next phase of their lives



Are you working with your clients to manage ALL their wealth, both liquid and pre-liquid?



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What Is the  
Yield/Return ...

...on an investment?

$$\frac{(\text{Dividends} + \text{Change in Price})}{\text{Beginning Price}}$$



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What Is the  
Yield/Return ...

...from your business?



$$\frac{\begin{aligned} &(\text{Dividends} \\ &+ \text{Above Normal Compensation} \\ &+ \text{Change in Price}) \end{aligned}}{\text{Beginning Price}}$$

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Valuation Is  
an Essential  
Element of  
Monitoring  
Performance



Critical Valuation Issues
Growth Margin Activity Financing
Yield
Return on Capital

$$\text{Value} = \text{Earnings} \times \text{Multiple}$$

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## One Percent Solution Activities

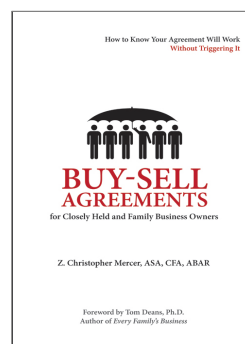
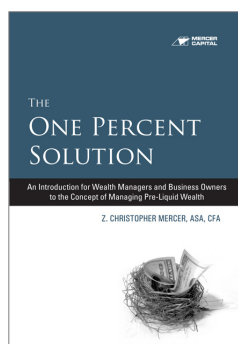


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- Life insurance funding
- Wealth manager compensation
- Annual valuations and monitoring value growth
- Buy-sell agreement pricing (per annual valuations)
- Annual legal reviews
- Estate planning
- Financial planning
- “Make ready” consulting projects

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## Resources



[ChrisMercer.net/books](http://ChrisMercer.net/books)

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# Questions?



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Z. Christopher Mercer is the founder and chief executive officer of Mercer Capital.

Chris began his valuation career in the late 1970s. He has prepared, overseen, or contributed to hundreds of valuations for purposes related to tax, ESOPs, buy-sell agreements, and litigation, among others. In addition, he has served on the boards of directors of several private companies and one public company.

He enjoys working with business owners to address ownership transition issues. Chris has extensive experience in litigation engagements including statutory fair value cases, divorce, and numerous other matters where valuation issues are in question. He is also an expert in buy-sell agreement disputes.

Chris is a prolific author on valuation-related topics and a frequent speaker on business valuation issues for national professional associations and other business and professional groups.

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## About Mercer Capital



### **Mercer Capital is a national business valuation and financial advisory firm.**

We offer a broad range of services, including corporate valuation, financial institution valuation, financial reporting valuation, gift and estate tax valuation, M&A advisory, fairness opinions, ESOP and ERISA valuation services, and litigation and expert testimony consulting.

We have provided thousands of valuation opinions for corporations of all sizes in a wide variety of industries. Our valuation opinions are well-reasoned and thoroughly documented, providing critical support for any potential engagement.

Our work has been reviewed and accepted by the major agencies of the federal government charged with regulating business transactions, as well as the largest accounting and law firms in the nation in connection with engagements involving their clients.

For over thirty years, Mercer Capital has been bringing uncommon professionalism, intellectual rigor, technical expertise, and superior client service to a broad range of public and private companies and financial institutions located throughout the world. Feel confident in our experience and expertise.

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### ■ **Valuation & Financial Opinions**

- Litigation Related Expert Witness Opinions
- Succession & Shareholder Planning
- Valuations for Corporate Tax Planning
- Valuations for Gift & Estate Tax Planning
- Fairness Opinions
- ESOP & ERISA Advisory Services
- Bankruptcy Related Valuation Services
- Valuations for Buy-Sell Agreements

### ■ **Transaction Advisory Services**

- M&A and investment banking services
- Fairness Opinions
- Buy-sell Agreements & Private Company Transactions
- Strategic Assessments

### **Litigation Support Services**

- Statutory Fair Value
- Business Damages & Lost Profits
- Valuation, Labor & Contract Disputes
- Family Law & Divorce
- Tax Related Controversies
- Corporate Restructuring & Dissolution
- Initial Consultation & Analysis
- Testimony & Trial Support

### **Financial Reporting Valuation Services**

- Purchase Price Allocation Services
- Impairment Testing Services
- Portfolio Valuation Services
- Equity-Based Compensation Valuation Services

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